SUBJECT: Economic Development 2007 Highlights (PED08119) (City Wide)

RECOMMENDATION:

That Report PED08119 respecting Economic Development 2007 Highlights be received for information.

EXECUTIVE SUMMARY:

In 2007, total construction value for building permits for the City of Hamilton smashed the all-time annual record when they topped the $800 million mark and surpassed last year’s total of $682 million by 17%. The permits were led by record commercial growth and a tremendous year of institutional investment in Hamilton. Industrial permits were noticeably lower than 2006 with the primary reason being the limited supply of employment lands to accommodate new growth both internally and migrating from the GTA. Regardless, in September 2007, U.S.-based Site Selection Magazine rated the City of Hamilton as the 5th best location in Canada for investing and growing a business and similarly, the soon-to-be released Ontario Chamber of Commerce’s analysis of “Investment Ready Communities” also ranks Hamilton very favourably.
The economic development results in 2007 were remarkable in comparison with other older manufacturing-based communities across both the Province and the country. However, the “perfect storm” of a rising Canadian dollar, a recession in the United States, and soaring energy costs in the second half of 2007 were the primary factors responsible for large losses of manufacturing jobs and long established companies in Hamilton. It was because of this that in the last quarter of 2007 Hamilton fell out of the top ten (10) in CIBC’s World Markets Metropolitan Activity index that measures the economic performance and momentum of the nation’s top 25 cities. Throughout Ontario in 2007, there was an estimated 56,600 manufacturing jobs lost with cities like Windsor, Kitchener and St. Catharines experiencing the greatest impacts because of their automotive-based economies.

Highlighting the bright spots in Hamilton’s manufacturing economy in 2007 were the acquisitions of Stelco by Pittsburgh, PA-based U.S. Steel and Hamilton Specialty Bar by Alabama-based Pinnacle Steel. The effect of the surprise takeover of Dofasco by ArcelorMittal’s continues to be defined as North America’s most profitable steel mill is integrated into ArcelorMittal’s international operations. After years of uncertainty and decline, it is hoped that stability will return to Hamilton’s primary metals manufacturing sector.

In terms of what lies ahead for 2008, the impacts of the “perfect storm” conditions on the local manufacturing economy clearly remain in effect as evidenced in the decline in year-to-date industrial building permits. However, there is already 620,000 s.f. of commercial and 702,300 s.f. of industrial growth already complete or under construction in Hamilton this year. Additionally, with interest rates continuing to fall and some GTA municipalities potentially doubling their development charges in 2009, Hamilton could see a dramatic increase in industrial building permits providing new employment lands are serviced and ready for sale this year. Finally, the completion of the Red Hill Parkway is already paying dividends in the redevelopment of Hamilton’s east end and efficiencies and cost savings for local companies.

Throughout this report, and in the attached 2007 Economic Development Review, there is a complete listing of all related economic development initiatives that occurred in Hamilton, including information on Business Development, the Hamilton Incubator of Technology, the Small Business Enterprise Centre, the Brownfield Office, the Film Office and the Real Estate Division.

**BACKGROUND:**

Attached is the 2007 Economic Development Review for the City of Hamilton. This publication provides a summation of local economic development highlights and major growth-related initiatives that occurred over the past year. In addition to being a primary marketing and promotion piece for the Economic Development and Real Estate Division, the Economic Development Review is circulated to the entire membership of all three local Chambers of Commerce, area Industrial Commercial Institutional (ICI) realtors, education partners and the Province of Ontario.
BUILDING PERMIT GROWTH

The following table provides a five-year summary of the City of Hamilton’s economic growth as depicted by building permit totals per category.

<table>
<thead>
<tr>
<th>Building Permits (in dollars)</th>
<th>Overall Value of Construction Trends in City of Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>Residential</td>
<td>262,214,137</td>
</tr>
<tr>
<td>Commercial</td>
<td>58,914,038</td>
</tr>
<tr>
<td>Industrial</td>
<td>87,276,714</td>
</tr>
<tr>
<td>Institutional</td>
<td>252,615,083</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,374,797</td>
</tr>
<tr>
<td>Total</td>
<td>664,394,769</td>
</tr>
</tbody>
</table>

Source: City of Hamilton Building and Licensing Division

In 2007, the City of Hamilton had its best year on record for total building permit value, surpassing the $800 million mark for an 18% year over year increase. This was led by outstanding commercial, institutional and residential growth. Industrial permits shrank by approximately $9 million but this can be largely attributed to Hamilton's shortage of shovel-ready lands necessary to accommodate demand. It is anticipated in 2008, with new employment lands coming on stream in both the North Glanbrook and the Ancaster Business Parks, that industrial permits will bounce back to previous levels.

ASSESSMENT GROWTH

In 2007, Hamilton's assessment growth compared favourably to older municipalities in Ontario but not when matched against newer GTA municipalities. There are two (2) aspects of assessment growth as a measure of economic performance that require explanation, these being: 1) Assessment growth expressed as a percentage increase over the previous year. This is a measure that supports new or smaller communities with a smaller "assessment base". For example, 1% assessment growth in Hamilton's 80 million s.f. industrial base translates into 800,000 s.f. of new construction. In a smaller municipality with only a 20 million s.f. industrial base that 800,000 s.f. would represent an assessment growth of over 4%; and 2) Net Assessment growth is a number that includes successful assessment appeals, demolitions, vacancies, municipal tax write-offs, reclassifications, etc. In Hamilton's case, which annually experiences all of these reductions, this can lower the City's overall assessment growth by as much as 0.5%.
<table>
<thead>
<tr>
<th>Year</th>
<th>Total ($ million)</th>
<th>Residential</th>
<th>Commercial/Industrial</th>
<th>Institutional/Government</th>
<th>Assessment Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$323.6</td>
<td>51%</td>
<td>29%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>$300.9</td>
<td>61%</td>
<td>24%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>$353.5</td>
<td>63%</td>
<td>26%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>$440.0</td>
<td>51%</td>
<td>31%</td>
<td>16%</td>
<td>1.0%</td>
</tr>
<tr>
<td>1999</td>
<td>$369.7</td>
<td>66%</td>
<td>25%</td>
<td>7%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2000</td>
<td>$479.7</td>
<td>49%</td>
<td>27%</td>
<td>22%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2001</td>
<td>$515.3</td>
<td>56%</td>
<td>25%</td>
<td>19%</td>
<td>0.8%</td>
</tr>
<tr>
<td>2002</td>
<td>$664.3</td>
<td>53%</td>
<td>24%</td>
<td>23%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2003</td>
<td>$664.4</td>
<td>39%</td>
<td>22%</td>
<td>38%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2004</td>
<td>$595.2</td>
<td>64%</td>
<td>25%</td>
<td>10%</td>
<td>1.7%</td>
</tr>
<tr>
<td>2005</td>
<td>$640.9</td>
<td>59%</td>
<td>24%</td>
<td>17%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2006</td>
<td>$682.5</td>
<td>60%</td>
<td>27%</td>
<td>13%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2007</td>
<td>$801.7</td>
<td>49%</td>
<td>24%</td>
<td>26%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Average (95-00) $377.9
Average (01-07) $652.1

2007 BUSINESS DEVELOPMENT HIGHLIGHTS

AIRPORT BUSINESS PARK/AIRPORT EMPLOYMENT GROWTH DISTRICT

Economic Development and Real Estate Division staff successfully partnered with Hamilton International (HI) to market its new international passenger service, Flyglobespan, with the development of an original advertisement placed in various strategic publications. For the first time in more than twenty years, Hamilton now has direct air flights to the U.K. market. The U.K. market is Ontario’s second largest international market, and the new service has provided business opportunities for Hamilton suppliers including hotels, ground transportation providers, attractions and restaurants.

The new Airport Shuttle was launched to support existing, and new passenger service at HI with joint seed funding ($50,000) coming from the City and HI. Also, building upon the success of the previous joint City - HI 2006 Community Investment Support Program (CISP) for the International Air Cargo Project, the 2007 CISP Asian Foreign Investment Strategy project was undertaken to investigate global opportunities for both the City and HI. Combined efforts leveraged limited funds to obtain $20,000 additional financial resources from Industry Canada.
ANCASTER INDUSTRIAL BUSINESS PARK

AMTS
Building upon their past success, AMTS has developed another state-of-the-art facility at 1425 Osprey Drive in the Ancaster Business Park. The new 48,000 s.f. corporate head office and warehouse is located on 2.17 acres (sold by Economic Development) and will distribute hydro-heat units across Canada and to the U.S.

Cambridge Pro-Fab
Custom Metal fabricator Cambridge Pro-Fab Inc. has established a 55,000 sq. ft. operation in the Ancaster Business Park. The company specializes in the fabrication of HSRG ducting, GT intake and exhaust silencers, air filtration and SCR systems for the power generation industry. Cambridge Pro-Fab purchased the entire building formerly occupied by Brown-Boggs Foundry.

Valeri Business Park
Local builder/developer Ted Valeri, of Valeri Homes is currently in the process of building a 50,000+ s.f. multi-tenant facility in the Ancaster Industrial Area. "Valeri Business Park" consists of over 50 acres of prominent industrial land located on Tradewind Drive that is projected to be developed by Valeri in the near future.

Wingbury Properties Inc.
Wingbury Properties' latest development projects consist of a 19,000 s.f. multi-tenant industrial facility, a 25,000 sq.ft. distribution warehouse for expansion of Van Dam Furniture and a state-of-the-art, three (3) storey Class “A” office building all located in the Ancaster Business Park. This again, was a City-owned property sold by Economic Development and Real Estate staff to Wingbury Properties Inc. In addition, they have new buildings in the planning stages for construction over the next few years and have constructed over 190,000 s.f. to date in the Ancaster Industrial Business Park.

BAYFRONT INDUSTRIAL PARK

ArcelorMittal
2007 saw the successful integration of Dofasco into the ArcelorMittal family ensuring Canada's foremost steel producer continues its long history of success in the North American steel market and in supporting the Hamilton community.

ArcelorMittal Dofasco recently announced a $60 million investment in a Pulverized Coal Injection (PCI) Facility that, upon completion in 2009, will increase the competitiveness of our Hamilton facility by reducing the cost per tonne of steel produced. Increasing competitiveness will help ArcelorMittal Dofasco face the challenges brought to the manufacturing sector in 2007 including the rapid increase in the value of the Canadian dollar and a continued escalation in the cost of raw materials.

In late 2006, both Hamilton’s Stelwire and Quebec's Stelfil were acquired by ArcelorMittal resulting in the addition of 250,000 tonnes of steel wire to the company's annual production. The Strathearn Avenue plant now employs 200 people and this
wire facility serves a number of niche markets in North America including automotive, construction, appliance, and other high performance products. This division’s extensive and diversified product portfolio including wire products, rod processing, steel wire drawing and spikes, provides a number of competitive advantages for ArcelorMittal. Widely recognized as the world’s leading steel company, ArcelorMittal’s acquisition of this Hamilton East former Stelwire plant provides a number of benefits including an extensive network of supply and inter-company knowledge with a focus on globalization and “transforming tomorrow”.

**Hamilton Specialty Bar**
One of the most positive stories in 2007 was the acquisition and reopening of Hamilton Specialty Bar quality steel mini-mill (formerly Slater Steel). Woodside Capital and Alabama’s Pinnacle Steel successfully purchased HSB in July and have brought not only much needed capital for investment in the plant but also a wealth of operating experience to this long challenged steel asset. To Hamilton, this meant not only the return of benefits to pensioners but 160 workers (increasing to 192 in 2008) coming back to work at the Sherman Avenue plant now operating two (2) 12 hour shifts. HSB is focusing on increasing exports sales in specialty bars and billet sales to customers in automotive, agricultural and railway markets.

**Lowes**
In December 2007, Lowes opened their first Canadian store at the corner of Barton and Woodward in Hamilton. Lowes was a real success for Hamilton on two fronts: 1) the effectiveness of the City’s Brownfield Incentives Program (see below under Brownfields); and 2) the strategic importance of the Red Hill Parkway which substantially increased the market area that the store is able to service.

**Salerno Dairy**
Building on the success of its immigrant founder, Salerno Dairy, Hamilton's only cheese maker, completed a 13,000 s.f. warehouse and office expansion.

**Sling Choker**
In spring 2007, Sling Choker, commenced construction on a new 65,000 s.f. facility at 605 Rennie Street to consolidate their existing Hamilton and Oakville operations. Sling Choker is a manufacturer/supplier of a wide range of industrial and MRO (Maintenance, Repair and Operating) products for the mining, forestry/pulp and paper, construction and other industrial sectors.

**U.S. Steel**
On October 31, 2007, Pittsburgh-based U.S. Steel completed the acquisition of Stelco Inc. and officially renamed it U.S. Steel Canada Inc. The $1.2 billion purchase of Stelco expands the footprint of U.S. Steel’s North American flat-rolled operations and increases production and exports from Canada. U.S. Steel’s immediate plans include significant capital expenditures at Stelco’s current facilities, in Research and Development of new product lines, and the endowment of a Priority Chair in the Department of Materials Science and Engineering at McMaster University to facilitate the continuing development of steelmaking technology in Ontario.
FLAMBOROUGH BUSINESS PARK

SFS Intec relocated from Oakville and established their new 30,000 sq. ft. Canadian head office in the Flamborough Business Park employing 40 people. This was a City owned property sold by Economic Development and Real Estate staff. SFS Intec is a high end manufacturer and distributor of engineered metal fasteners for the roofing, metal and automotive industries.

Flamborough Retail Development
Flamborough had well over 200,000 s.f. of new commercial buildings constructed in 2007. It is estimated that between Rosart Properties “Flamborough Power Centre” and Trinity Group’s “Clappisons Crossing” that Flamborough will see an additional 300,000 s.f. of commercial buildings developed over the next couple of years. Employment estimates for Rona, Canadian Tire and Zellers are estimated to be over 400 employees including both part-time and full-time staff.

HAMILTON MOUNTAIN BUSINESS PARK

GT French
G.T. French Paper, a full line sanitation, packaging, food service and supply systems distributor relocated to 90 Glover Road on the Hamilton Mountain, expanding from 50,000 s.f. at their former Nebo Road location to 90,000 s.f. at their new warehouse. G.T. French celebrated their 140th year of business in Hamilton in 2007.

Stephenson’s Rentals
Stephenson's, the largest rental company of contracting equipment in Ontario established Hamilton as a hub location to support its business growth throughout Hamilton and Niagara Region. The new facility is approximately 50,000 s.f.

Telford Properties Inc.
Developer Telford Properties had a 24,000 s.f. facility constructed at 123 Dartnall Road on the Hamilton Mountain. The building is now a new branch and group office for Turban Electric Supply. The balance of the building has been leased to Wellesley Canada.

STONEY CREEK BUSINESS PARK

560 – 566 Arvin Avenue
Charane Limited and Strategic Property Management completed construction of the first of two 48,000 s.f. multi-tenant spec buildings in mid 2007. The property is situated on 7 acres of land located on Arvin Avenue, minutes from the QEW and Fruitland Road in Stoney Creek. Within two (2) months of completion, leases with Fox 40 International, Beverage World Inc. and Humpty Dumpty were finalized. These three (3) tenants represent 40,000 s.f. (83%) of the building. Due to strong interest from prospective tenants, the developers commenced construction of the second building, five (5) years earlier than planned. Charane Limited and Strategic Property Management have two (2) other fully leased multi-tenant industrial buildings in Stoney Creek.
Barton and Lewis, Stoney Creek
IG Real Estate Advisors has recently completed construction of a 143,000 sq ft industrial development at 1175 Barton Street at Lewis Road. The project is receiving much interest from companies in and outside the Hamilton area. IG plans to develop additional buildings on the 20 acre site in recognition of strong demand from area businesses that are choosing Stoney Creek for its strategic and cost advantages.

Eveley International
Spring suspension manufacturer, Eveley International, has established a new 75,000 s.f. head office and manufacturing location at 665 Arvin Avenue in Stoney Creek. Staff worked extensively with this company to secure permits and approvals from the City and various agencies.

Hamilton Business Park
Phase II of this new multi use development is located at 1100 South Service Road, Stoney Creek, along the QEW / Niagara corridor is nearing completion. A number of business enterprises are up and operating in Phase I including Serenity Granite, EFES Tile Importers, Lakeshore Living, Universal Electric and coming soon, Kultur Estate Flooring. Once completed, Hamilton Business Park will construct over 230,000 s.f. of industrial / commercial/office space on 9.25 acres.

Superior Boiler Works and Welding Ltd.
In 2007, work continued on Superior Boiler Works and Welding Ltd.’s new head office and primary manufacturing facility on McNeilly Road in Stoney Creek. The new facility (phase one) is comprised of 80,000 sq. ft. with 180 ton capacity and 45 clear height situated on 13 acres.

Tiercon
In August 2007, Stoney Creek-based Tiercon received $6 million through the Provincial Government’s Ontario Automotive Investment Strategy. The investment will be used in the development of advanced and fully-integrated bumper systems to help the company grow its business and create high-value jobs in Ontario’s auto parts industry.

The Venetor Group
The Venetor Group, Ontario's largest privately-owned and 100% Canadian equipment rental group, officially opened its new head office facility at 45 Oriole Avenue, Stoney Creek in the Fifty Road and South Service Road corridor. The new head office is comprised of approximately 50,000 s.f. and situated on 8.25 acres.

RURAL HAMILTON

Agricultural Action Plan
The City of Hamilton joined forces with the consulting firm, Planscape, under the leadership of Hamilton’s Agricultural and Rural Affairs Committee, Ontario Ministry of Agriculture and Food, Ontario Federation of Agriculture, Hamilton Wentworth Federation of Agriculture and Brant Wentworth Christian Farmers’ Federation to develop an
Agricultural Action Plan. The purpose of this plan is to ensure the long-term economic viability of Hamilton's $1 billion agricultural sector.

This 20-page comprehensive plan outlines the background and opportunities for the industry around economic development, education and marketing, strategic direction and development, partnerships and developing the required financial tools to support the local industry. The plan identifies 11 action items as well as the organizations that will assume responsibility for how the actions will be implemented.

MCMASTER INNOVATION PARK (MIP)

The McMaster Innovation Park is moving from concept to reality with renovations to its existing building and firm construction plans for several new buildings. Renovations, to the tune of $15 million, to the “red-brick” building include 120,000 s.f. of new office and dry lab space for a combination of university and private technology companies, who will move in April, 2008.

Construction of the CANMET-MTL (the Federal Government’s materials technology laboratory) will begin this spring and is expected to open in 2010. The lab will be an important source of quality jobs to the community and technical support to existing local industry. It will also serve as a source of technical consultation and support to start-up and early stage companies. The Director of Economic Development and Real Estate made a presentation on behalf of the City to employees in Ottawa in November 2007 and leads the City’s relocation team.

Design plans are now underway for the Park’s new Engineering Technology Center, a multi-functional education and research building that will house the Bachelor of Technology program (a joint venture with Mohawk College) and special-purpose research facilities for manufacturing and automotive research, including the General Motors of Canada Centre for Automotive Materials and Corrosion Research.

Plans are moving forward with MIP’s Life Sciences Incubation and Accelerator Centre, funded, in part, with a $5 million investment from the City of Hamilton. The facility will be a strong anchor for the Park, housing life sciences and related research and development companies.

DOWNTOWN RELATED INVESTMENTS

Economic Development and Real Estate staff was directly involved with the attraction and expansion of two (2) call centre developments in the Downtown during 2007. They were:

Minacs established a new 40,000 s.f. call centre location in the Standard Life Building creating 200 new jobs in the Downtown core.

SP Data expanded their existing operation to 40,000 sq ft. at 110 King Street West and doubling their employment to 400.
BROWNFIELD OFFICE

The City of Hamilton’s Brownfield Office continued its good work in 2007 and in April of last year City Council approved the addition of an FTE to assist with program delivery and increase the marketing activity of the function. In 2007, the Brownfields Coordinator made 14 presentations both within and external to the City to increase awareness of the redevelopment opportunities. The Division also led and researched three major initiatives; the Historical Land Use Inventory (see below), the Brownfield Land Banking study, and the Brownfield Redevelopment Strategy. In the last three (3) years, the one- person Brownfield Office has significantly outpaced the provincial average of redevelopment activity in comparison to other municipalities, as reflected in the following statistics and highlights:

- # of applications = 19 (Provincial Average = 4)
- # of sites remediated = 12 (Provincial Average = 4)
- # of sites redeveloped = 11 (Provincial average = 7)

Bunge

The decision to expand their existing Burlington Street facility and to construct a new food grade vegetable oil processing plant estimated at $60 million dollars across the street resulted in Bunge’s submission of an ERASE Redevelopment Grant application. The application qualified for an ERASE Redevelopment Grant as a result of required demolition environmental site remediation and on-site infrastructure upgrading leading to the construction of a new value added edible oil processing facility. The Grant application was approved by Council for $1,103,033 in eligible program costs. The proposed development involves 8.81 acres of total site area which was primarily vacant. A portion of the site, 424/442 Burlington Street was a former City waste disposal site (landfill).

Lowes

The Grant application was approved for $1,281,900 in eligible environmental site remediation, building demolition and on-site infrastructure upgrading costs. The application involves the 12 acre site remediation to remove elevated levels of petroleum hydrocarbon impact to subsurface soils on the western portion of the site in order to permit the construction of a 140,000 s.f., one storey, commercial home improvement store, plus an approximate 32,000 s.f. outdoor garden area.

National Painting and Decorating

National Painting and Decorating Co. Ltd. is redeveloping the properties at 801 King Street West, 80, 86 and 90 Carling Street. The ERASE Redevelopment Grant Application was approved for $525,000 in eligible environmental site remediation costs. The application involves site bioremediation utilizing proven methods of In-Situ Biological Remediation Technology. The microbial bioremediation will be carried out before the soil removal, while the natural soil matrix and hydrogeology on site have not been disturbed. Once the site is remediated and meets all standards, a microbial solution will be applied to the soil after the excavation is performed in order to ensure that any future adverse effect is prevented. Once remediated, construction will begin to develop a residential multi-unit development of 39 suites on nine (9) storeys with
approximate floor area of 50,000 sq. ft. concrete construction.

**Concession Street Holdings Inc.**
The application for an ERASE Redevelopment Grant for the property at 500 Concession Street, qualifies as a result of required environmental site remediation. The $91,050 application involved the construction of a 14,818 sq. ft. Shoppers Drug Mart with an adjacent 2,607 s.f. medical clinic.

**Historical Land Use Inventory (HLUI)**
In 2007, the City hired MMM Group to design and compile a comprehensive HLUI for the urban area of Hamilton. A GIS database identifies and describes sites, its past uses, contaminants of concern, and has the ability to track site assessments and remediation efforts in a comprehensive and consistent manner.

The database was compiled from existing data sources, and will be updated annually by assembling and transferring information received by the City through records of site condition and other sources to the central GIS database.

The database is beneficial to City staff in implementing the following programs:
- Brownfield assessment and prioritization strategies;
- Environmental Remediation and Site Enhancement (ERASE) Plan;
- City's Contaminated Sites Management Program (CSMP);
- Regulatory Services of Water Wastewater; and,
- Source Drinking Water Protection Planning.

The database will enable staff to respond to information requests, monitor development in the Environmental Remediation and Site Enhancement (ERASE) project area, provide feedback to fine tune the ERASE Community Improvement Plan and to supply information for the ERASE Municipal Acquisition and Partnership Program. The data will complement the City's Contaminated Sites Management Program for Municipal works (CSMP) by offering a greater level of detailed contaminant screening information. Water and Wastewater can use the information to identify possible sources of contaminants, while the Source Protection Planning group can identify existing threats to drinking water sources. It will also serve to assist in the employment lands inventory and Vision 2020 initiatives.

**FILM AND TELEVISION OFFICE:**
A complete description of the 2007 activities of the Hamilton Film and Television Office can be found in the Hamilton Film and Television Office 2007 Annual Report (PED08078) presented at the Economic Development and Planning Committee meeting on April 1, 2008. The statistical highlights are itemized below:

- 106 productions (record)
- 1,318 prep shoot and wrap days (record)
- Direct impact = $12 million
SMALL BUSINESS ENTERPRISE CENTRE (SBEC):

Hamilton’s SBEC had a record breaking year in 2007 (see statistics below) and as result ranked in the top five (5) performing SBEC’s in the Province.

- General Enquiries = 11,338
- Web-contacts = 32,457
- Consultations (Staff) = 722
- Consultations (Mentors) = 120
- Student Summer Company program = 7

In 2008, the SBEC expanded its responsibilities to include the provision of mentoring and small business consultations to the tenant companies in the City-owned Hamilton Incubator of Technology.

- 40,000 s.f. facility is 95% occupied
- 19 companies (high technology)

REAL ESTATE SECTION

Report PED08100 “Summary report of Real estate Activity for the City of Hamilton” presented to Economic Development and Planning Committee at its April 15, 2008 meeting outlined the major activities of the section from 2003 through 2007. Real Estate is a corporate function that provides services across the entire corporation that includes land sales, land acquisitions, appraisals, leasing/renewals and accommodations, and real estate-related advice to staff and Council members. Last year alone, the section handled 30 sales transactions with a value of property sales of over $5.8 million.

The following table represents some notable land sales from 2006-2007 which resulted in approximately $6 million from the sale of non-core assets and, a potential annual assessment stream of about $837,900 at full build out.

<table>
<thead>
<tr>
<th>Location</th>
<th>Sold For</th>
<th>No. Of Residential Lots</th>
<th>Tax Assessment/Annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1306 Upper Wellington</td>
<td>$757,000</td>
<td>21</td>
<td>$102,000</td>
</tr>
<tr>
<td>0 Stone Church Road E</td>
<td>$620,000</td>
<td>13</td>
<td>$52,000</td>
</tr>
<tr>
<td>30 Limeridge Road E</td>
<td>$3,435,000</td>
<td>108</td>
<td>$435,000</td>
</tr>
<tr>
<td>128 Limeridge Road</td>
<td>$337,625</td>
<td>16</td>
<td>$65,000</td>
</tr>
<tr>
<td>40 Innovation Drive</td>
<td>$618,000</td>
<td>industrial lot</td>
<td>$170,000</td>
</tr>
<tr>
<td>281 Herkimer</td>
<td>$307,000</td>
<td>commercial</td>
<td>13,900</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>$837,900</td>
</tr>
</tbody>
</table>
MARKETING ACHIEVEMENTS

EDCO Best of Show Finalist
The City's GIS-based site selection web site captured first place in the interactive database category and was selected as one of the three (3) finalists, out of 194 submissions for the Ontario Lieutenant Governor's Best of Show Award at the Economic Developers Council of Ontario's awards ceremony. The award winning project integrates municipal data and MLS commercial listings through GIS technology.

Site Selection Magazine Recognition
U.S.-based magazine Site Selection, the official publication of the industrial asset management council, ranked Hamilton as the fifth best area in Canada for Expansion and Relocation Projects.

Launching of www.investinhamilton.ca
On October 2, 2007, economic development staff officially launched the City's new stand alone business development website www.investinhamilton.ca.

Sector Related Marketing
Staff attended industry-related tradeshows including the Automotive Parts Manufacturing Association, Alberta Oil Sands Show and BIO 2007.

ANALYSIS/RATIONALE:

N/A

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial: N/A
Staffing: N/A
Legal: N/A

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATIONS:

N/A

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.
Community Well-Being is enhanced.  ☑ Yes  ☐ No

Partnerships are promoted.

Environmental Well-Being is enhanced.  ☑ Yes  ☐ No

Many results demonstrate intensification and brownfield redevelopment.

Economic Well-Being is enhanced.  ☑ Yes  ☐ No

Investment in Hamilton is enhanced and supported.

The economic base is diversified.

Does the option you are recommending create value across all three bottom lines?  ☑ Yes  ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?  ☑ Yes  ☐ No

A vibrant local economy will retain and attract employees to the Corporation.

NE/NS/db
Attach. (1)
The City of Hamilton made great strides throughout 2007 in laying a firm foundation that will assist us in achieving our vision that is, to be “the best City in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.” This vision is being delivered by a community working together through collaboration, cooperation and consensus.

Over the past year, we have witnessed with much excitement the completion of major infrastructure projects such as the Red Hill Valley Parkway and the beginning of new endeavours like the clean up of Randel Reef in Hamilton Harbour. Thanks to hard work and leadership, we have been given a $60M total commitment from both the provincial and federal governments to help us continue with our clean up efforts. We have invested in the future of our environment by making the largest transit fleet purchase in our history with the addition of a dozen diesel-electric hybrid buses. And as a member of the Metrolinx Board of Directors, I have a seat at the table and will do everything necessary to ensure that Hamilton gets its fair share of the $17.5 billion Provincial transit funding.

Hamilton’s steel industry received a much-needed boost with U.S. Steel’s acquisition of Stelco, and the re-opening of Hamilton Specialty Bar by Pinnacle Steel of Alabama. The emerging Biosciences and Health Care industries welcomed a series of major announcements: the David Bradley Cardiovascular & Stroke Research Institute; the redevelopment of Henderson Hospital; and the new Molecular Imaging Centre at McMaster University. The emerging Biosciences and Health Care industries welcomed a series of major announcements: the David Bradley Cardiovascular & Stroke Research Institute; the redevelopment of Henderson Hospital; and the new Molecular Imaging Centre at McMaster University.

In December 2007, Hamilton City Council made the single, largest commitment in recent history to the future prosperity of our city by infusing an additional $1.5M to the existing Planning & Economic Development budget. This investment will result in new staffing resources, new programs, and a Jobs Prosperity Collaboration that will bring us together in a strong community partnership. The primary focus will be on attracting more business, retaining and growing Hamilton’s existing companies while simultaneously improving the overall quality of life.

I encourage you to read through the 2007 Economic Review at your leisure. Find out how Hamilton shattered its all-time record for yearly building permits with more than $800m, and why Hamilton City Council is so confident that our great strides are leading us to an exciting future with continued inner city revitalization, strengthened innovation and long-term sustainable economic development.

Fred Eisenberger
Mayor of Hamilton
HAMILTON 2007

BY THE NUMBERS

133,205
acres of farmland in the City of Hamilton

1,800
Housing starts

19
applications for City’s Brownfield ERASE program since inception – tops in province

8
length in kilometres of the Red Hill Valley Parkway which opened in the fall of 2007

106
film productions handled through the Hamilton Film Office

$332,000,000
McMaster University’s research income

11,782,656
provincial & federal contribution to the restoration of Randle Reef

$60,000,000
overall value of building permits – all time record

504,559
official 2006 Census population released

$801,719,318
total tonnage shipped through the Port of Hamilton

35,278
enquiries handled by Hamilton’s Small Business Enterprise Centre

5
U.S. based Site Selection magazine named Hamilton the 5th Top Metro Area in Canada for expansion and relocation projects

107,000
spectators that attended the Tim Hortons Brier at Copps Coliseum

14,696
number of 2007 visitors to www.investinhamilton.ca the city’s official business development website. The site was officially launched on Oct. 2, 2007.

662,855
passengers that passed through the John C. Munro Hamilton International Airport

HAMILTON 2008

-THE YEAR AHEAD

By the Numbers

Long considered the backbone of the local economy, steel or primary metal manufacturing finally stabilized in 2007 after years of uncertainty. The acquisition of Stelco’s Milton & Lake Erie Works by Pittsburgh’s U.S. Steel and the subsequent integration of these mills into their North American operations was a real positive for the local economy. Similarly, the purchase of Hamilton Specialty Bar by Alabama-based Pinnacle Steel in July brought back the City’s third largest mill from the brink of extinction. Hamilton-based Steelwire employing more than 200 also received a new lease on life in 2007 when it was sold to Pinnacle. However, last year the City of Hamilton experienced first hand the trend of global mergers and acquisitions in the steel industry when the unthinkable occurred to the pride of the City’s business community. North America’s most profitable integrated steel producer Dofasco was acquired by Luxembourg’s Arcelor Steel which in turn was swallowed up by Mittal the world’s largest steel company. What exactly this means to the local economy remains to be seen.

In 2007, Hamilton recorded its best year on record for total building permits by smashing the $800 million mark for an 18% increase over last year. This was led by outstanding commercial, institutional and residential growth. Industrial building permits shrank by approximately $9 million but this can be largely attributed to Hamilton’s shortage of shovel ready lands necessary to accommodate the demand from GTA-based companies looking to relocate to more cost competitive and less congested locales. In 2008, with new employment lands coming on stream in both the North Glanbrook and the Ancaster Business Parks, it is anticipated that industrial permits will bounce back to previous years’ levels.

The Conference Board of Canada projects that Hamilton’s manufacturing economy, although remaining relatively flat in terms of growth, will begin a slow recovery in 2008. This is confirmed with the new growth already in the development pipeline and over 700,000 sq.ft. of industrial space currently under construction. The record institutional spending last year will create employment opportunities for highly-skilled labour in new facilities like the 165,000 sq.ft. David Braley Cardiac, Vascular & Stroke Research Institute. Hamilton’s McMaster Innovation Park will finally see a flurry of construction in 2008 when ground is broken for CANMET, the Federal government’s materials technology laboratory, along with GM’s $60 million corrosion testing lab, a new biotechnology incubator and a hotel.

Despite the potential for a recession in the U.S., Hamilton should be able to weather the uncertainty and volatility that will dominate the economic landscape in 2008. The key to the City’s success will be to have a readily available employment land supply to service new business investment and to accommodate existing business growth. City Council’s recent commitment of additional resources and a new structure for the Planning & Economic Development Department accompanied by strong community support will ensure that this happens in 2008 and the years ahead.

BUILDING PERMITS (IN DOLLARS)

Overall Value of Construction Trends in City of Hamilton

<table>
<thead>
<tr>
<th>Year</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Institutional</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>262,214,137</td>
<td>58,914,038</td>
<td>87,276,714</td>
<td>252,615,083</td>
<td>3,374,977</td>
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<td>2004</td>
<td>380,297,684</td>
<td>75,335,634</td>
<td>60,982,261</td>
<td>106,656,106</td>
<td>4,054,400</td>
<td>595,166,715</td>
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<tr>
<td>2006</td>
<td>457,331,942</td>
<td>108,702,496</td>
<td>72,266,757</td>
<td>85,829,122</td>
<td>8,417,498</td>
<td>682,547,815</td>
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<tr>
<td>2007</td>
<td>395,335,459</td>
<td>126,391,840</td>
<td>63,337,586</td>
<td>210,207,720</td>
<td>6,446,743</td>
<td>821,719,318</td>
</tr>
</tbody>
</table>

Source: City of Hamilton Building & Licensing Division
EMPLOYMENT LANDS IN PROGRESS

The City’s Industrial Parks and Airport Development Division has been busy over the last two years carrying out many required studies to open up industrially designated lands for development.

Airport Employment Growth District Study
The City of Hamilton issued a Request for Proposal in July, 2007 for an Airport Employment Growth District Study. The contract was awarded to Dillon Consulting and their study team in late October. Dillon Consulting will assist staff in the development of a secondary plan, master plans and a financing and development phasing plan by providing scoping documents and draft land use concepts as part of phase 1 of the study process. Phase 1 is to be completed by June 2008 with a public information centre being held in late March, early April 2008. The completion of the secondary plan, master plans and the financing and development phasing plan (phase II) is to be completed by September 2009. An Airport Employment Growth District Community Liaison Committee has also been formed and represents a broad spectrum of the community. This committee is a key resource for staff and the study team to consult with.

Ancaster Industrial Business Park
Engineering drawings are being completed for a 42 acre City-owned industrial subdivision within the Ancaster Industrial Park. Of the 42 acres, approximately 30 acres of “shovel ready” land will be available for purchase in Spring of 2008. In addition, approximately 4 acres of the 42 acre parcel were sold to abutting property owners along Osprey Drive to facilitate the expansion of their businesses within the Hamilton community.

North Glanbrook Industrial Business Park
A number of different City and private initiatives are underway within the park. The North Glanbrook Transportation Master Plan is complete along with the Dartnall Road Class Environmental Assessment (EA). The Hannon Creek Watershed Class EA is nearing completion along with the North Glanbrook Industrial Business Park Servicing Strategy. Presently, there are roughly 73 acres of “shovel ready” land within the park and another 366 acres that are positioned to come on line in the next couple of years. Included are 55 acres owned by the City south of Twenty Road and east of Nebo, as well as a privately-owned industrial sub-division north of Twenty Road and west of Trinity Church Road with approximately 44 acres.

Stoney Creek Industrial Business Park
Public Works staff, with the involvement of the Industrial Parks and Airport Development Division, has completed or is in the process of completing the Lewis Road Class Environmental Assessment (CEA), McNeilly Road CEA, Watercourse 5 & 6 CEA and the Arvin Avenue Extension CEA. The culmination of these studies over the next few years will result in the City’s ability to facilitate the eventual development of approximately 165 acres of privately-owned lands to further the City’s “shovel ready” initiative in the Stoney Creek Industrial Business Park.

In 2007, SSF Intec relocated from Oakville and established their new 30,000 sq. ft. Canadian head office in the Flamborough Business Park. The Venetor Group outgrew their existing Hamilton facility and built a new 50,000 sq. ft. head office in the Stoney Creek Business Park. Both companies are examples of the importance and need of having shovel ready industrial land to accommodate new and expanding business operations.

McMaster Innovation Park Update
The McMaster Innovation Park (MIP) is moving from concept to reality with renovations to its existing buildings and firm construction plans for several new buildings. Renovations, to the tune of $15 million, to the “red-brick” building include 120,000 square feet of new office and dry lab space for a combination of university and private technology companies who will move in April, 2008.

Construction of the CANMET-MTL (the federal government’s materials technology laboratory) will begin this spring and is expected to open in 2010. The lab will be an important source of quality jobs to the community and technical support to existing local industry. It will also serve as a source of technical consultation and support to start-up and early stage companies.

Design plans are now underway for the Park’s new Engineering Technology Centre – a multi-functional education and research building that will house the Bachelor of Technology program (a joint venture with Mohawk College) and special-purpose research facilities for manufacturing and automotive research, including the General Motors of Canada Centre for Automotive Materials and Corrosion Research.

Plans are moving forward with MIP’s Life Sciences Incubation and Accelerator Centre – funded, in part, with a $5 million investment from the City of Hamilton. The facility will be a strong anchor for the Park, housing life sciences and related research and development companies.

And to house MIP visitors – the research and business community alike – construction of a hotel is set to start late in 2008 or early 2009. Feasibility studies will determine if the project – with approximately 140 rooms – will be built as a traditional hotel, a long-stay suites hotel, a combination of the two, or two separate projects on the same site.
Brownfields are underdeveloped or previously developed properties that may be contaminated. They are usually former industrial or commercial properties that may be underutilized, derelict or vacant (Provincial Policy Statement, 2005). Large urban centres such as Hamilton, Toronto and Kitchener have been at the forefront of brownfield redevelopment in Ontario. Mid-size and small centres are following suit.

**National Painting & Decorating Co. Ltd.:**
National Painting & Decorating Co. Ltd. is redeveloping the properties at 801 King Street West, as well as 80, 86, and 90 Carling Street. The ERASE redevelopment Grant application was approved for $525,000 in eligible environmental site remediation costs. The application involves site bioremediation utilizing proven methods of In-Situ Biological Remediation Technology. The microbial bioremediation will be carried out before the soil removal, while the natural soil matrix and hydrogeology on site have not been disturbed. Once the site is remediated and meets all standards, a microbial solution will be applied to the soil after the excavation is performed in order to ensure that any future adverse effect is prevented. Once remediated, construction will begin to develop a residential multi-unit development of 39 suites on 9 storeys with approximate floor area of 50,000 sq. ft. concrete construction.

**Lowe’s:**
The grant application was approved for $1,281,900 in eligible environmental site remediation, building demolition and on-site infrastructure upgrading costs. The application involves the 12 acre site remediation to remove elevated levels of petroleum hydrocarbon impact to subsurface soils on the western portion of the site in order to permit the construction of 140,000 sq. ft., one storey commercial home improvement store, plus an approximate 32,000 sq. ft. outdoor garden area. The development also includes associated loading, staging and paved parking area.

**Concession Street Holdings Inc.:**
The application for an ERASE redevelopment Grant for the property at 500 Concession Street, qualified as a result of required environmental site remediation. The $91,050 application involved the construction of a 14,818 sq. ft. Shoppers Drug Mart with an adjacent 2,607 sq. ft. Medical Clinic.

Bunge’s decision to expand their existing facility and to construct a new food grade vegetable oil processing plant estimated at $60 million dollars across the street resulted in the submission of an ERASE Redevelopment Grant application. The application qualified for an ERASE Redevelopment Grant as a result of required demolition environmental site remediation and on-site infrastructure upgrading leading to the construction of a new value added edible oil processing facility. The Grant application was approved by Council for $1,103,033 in eligible program costs. The proposed development involves 8.81 acres of total site area which was primarily vacant. A portion of the site, 424/442 Burlington Street was a former City waste disposal site (landfill).
ArcelorMittal

2007 saw the successful integration of Dofasco into the ArcelorMittal family ensuring Canada’s foremost steel producer continues its long history of success in the North American steel market and in supporting the Hamilton community. As the world’s #1 steel company, ArcelorMittal identifies best practice champions throughout the organization and looks to Dofasco to provide leadership across the global operation.

ArcelorMittal Dofasco recently announced a $60 million investment in a Pulverized Coal Injection (PCI) facility that, upon completion in 2009, will increase the competitiveness of the Hamilton facility by reducing the cost per tonne of steel produced. Increasing competitiveness will help ArcelorMittal Dofasco face the challenges brought to the manufacturing sector in 2007 including the rapid increase in the value of the Canadian dollar and a continued escalation in the cost of raw materials.

In late 2006, both Hamilton’s Stelwire and Quebec’s Stelfil were acquired by ArcelorMittal resulting in the addition of 250,000 tonnes of steel wire to the company’s annual production. The Strathearne avenue plant now employs 200 people and this division’s extensive and diversified product portfolio including wire products, rod processing, and engineering at McMaster University to facilitate technology in Ontario.

U.S. Steel

On October 31, 2007, Pittsburgh based U.S. Steel completed the acquisition of Stelco Inc. and officially renamed it U.S. Steel Canada Inc. The $1.2 billion purchase of Stelco expands the footprint of U.S. Steel’s North American flat-rolled operations and increases production and exports from Canada. U.S. Steel has immediate plans that include significant capital expenditures at Stelco’s current facilities, in Research & Development of new product lines, and the endowment of a Priority Chair in the Department of Materials Science and Engineering at McMaster University to facilitate the continuing development of steelmaking technology in Ontario.

AMTS

Building upon their past success, AMTS (above right) has developed another state-of-the-art facility at 1425 Osprey Drive in the Ancaster Business Park. The new 48,000 sq. ft. corporate head office and warehouse is located on 2.17 acres and will distribute hydro-heat units across Canada and to the U.S.A.

Hamilton Specialty Bar

One of the most positive stories in 2007 was the acquisition and reopening of Hamilton Specialty Bar (HSB). Quality steel mini-mill (formerly Slater Steel), Woodside Capital and Alabama’s Pinnacle Steel successfully purchased HSB in July and have brought not only much needed capital for investment in the plant but a wealth of operating experience to this long challenged steel asset. To Hamilton, this meant not only the return of benefits to pensioners but 160 workers (increasing to 192 in 2008) coming back to work at the Sherman Avenue plant now operating two 12-hour shifts. HSB is focusing on increasing export sales in specialty bars and billet sales to customers in automotive, agricultural and railway markets.

Copley Apparel

Hamilton based Copley Apparel announced plans to expand its employment by almost 200 jobs -- about 30 per cent – starting with 50 additional jobs in 2007. The new jobs will expand its Hamilton workforce to about 750 people, the majority of them in Hamilton.

Evelyn International

Spring suspension manufacturer Evelyn International has established a new 75,000 sq. ft. head office and manufacturing location at 665 Arvin Avenue in Stoney Creek.

Salerno Dairy

Building on the success of its immigrant founder, Salerno Dairy, Hamilton’s only cheese maker, completed a 13,000 sq.ft. warehouse and office expansion.

Sling Choker

In Spring 2007, Sling Choker commenced construction on a new 65,000 sq. ft. facility at 605 Rennie Street to consolidate their existing Hamilton and Oakville operations. Sling Choker is a manufacturer/supplier of a wide range of industrial products for the mining, forestry/pulp and paper, construction and other industrial sectors.

Stephenson’s Rentals

Stephenson’s, the largest rental company of contracting equipment in Ontario, established Hamilton as a hub location to support its business growth throughout Hamilton and Niagara Region. The new facility is approximately 50,000 sq. ft.

Superior Boiler Works & Welding Ltd.

In 2007, work continued on Superior Boiler Works & Welding Ltd.’s new head office and primary manufacturing facility on McNelly Road, in Stoney Creek. The new facility (phase one) is comprised of 80,000 sq. ft. with 180 ton capacity and 45 clear height situated on 13 acres.

Tiercon

In August 2007, Stoney Creek based Tiercon received $6 million through the provincial government’s Ontario Automotive Investment Strategy. The investment will be used in the development of advanced and fully integrated bumper systems to help the company grow its business and create high-value jobs in Ontario’s auto parts industry.

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Cambridge Pro-Fab Inc.

Custom metal fabricator Cambridge Pro-Fab Inc. has established a 55,000 sq. ft. operation in the Ancaster Business Park. The company specializes in the fabrication of HSRG ducting, GT intake and exhaust silencers, air filtration and SCR systems for the power generation industry.

Coppley Apparel

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CONSTRUCTION TO MEET DEMAND

It was an outstanding year for speculative construction in the City of Hamilton. The term “speculative” refers to buildings that are being constructed and developers are speculating that once the product is built, they will be able to secure tenants. In 2007, there was over 500,000 sq. ft. of “spec” buildings under construction, a very positive signal of confidence in the Hamilton real estate market.

Valeri Business Park
Local builder/developer Ted Valeri, is currently in the process of building a 50,000+ sq.ft. multi-tenant industrial facility in the Ancaster Business Park. “Valeri Business Park” consists of 60 acres of prominent industrial land located on Tradewind Drive. Further development by Valeri is projected in the near future.

Barton & Lewis, Stoney Creek
IG Real Estate Advisors has recently completed construction of a 143,000 sq. ft. industrial development at 1175 Barton Street, at Lewis Road. The project is receiving much interest from companies in and outside the Hamilton area. IG plans to develop additional buildings on the 20 acre site in “recognition of strong demand from area businesses that are choosing Stoney Creek for its strategic location and cost advantages.”

Hamilton Business Park
Phase II of this new multi-use development located at 1100 South Service Road, Stoney Creek, along the QEW / Niagara corridor is nearing completion. A number of business enterprises are up and operating in Phase I including: Serenity Granite, EFES Tile Importers, Lakeshore Living, Universal Electric and coming soon, Kultur Estate Flooring. Once completed, Hamilton Business Park will construct over 230,000 sq. ft. of industrial/commercial/office space on 9.25 acres.

560 Arvin Avenue
Charane Limited and Strategic Property Management completed construction of the first of two 48,000 sq. ft. multi-tenant spec buildings in mid 2007. The property is situated on 7 acres of land located on Arvin Avenue, minutes from the QEW and Fruitland Road in Stoney Creek. Within two months of completion, leases with Fox 40 International, Beverage World Inc. and Humphry Dumpty were finalized. These three tenants represent 40,000 sq. ft. (83%) of the building. Due to strong interest from prospective tenants, the developers commenced construction of the second building, five years earlier than planned. Charane Limited and Strategic Property Management have two other fully leased multi-tenant industrial buildings in Stoney Creek.

Wingbury Properties Inc.
Wingbury Properties latest development projects consist of a 19,000 sq. ft. multi-tenant industrial facility, a 25,000 sq. ft. distribution warehouse (to accommodate the expansion of Van Dam Furniture) and a state of the art three storey Class “A” office building. All are located in the Ancaster Business Park. Wingbury have several new buildings in the planning stages for construction over the next few years and have constructed over 190,000 sq. ft. to date in Ancaster.

Telford Properties Inc.
Developer Telford Properties had a 24,000 sq. ft. facility constructed at 125 Dartnall Road on the Hamilton Mountain. This building is now home to the new branch and group office for Telford Electric and Supply. The balance of the building has been leased to Walsley Canada.

COMMERICAL GROWTH

Heritage Greene Development
The Heritage Greene Development is a joint venture of The Effort Trust Company and Silvestri Investments Limited. The first two phases of the project consist of (1) The west side of Upper Mount Albion Road which will see approximately 300,000 sq. ft. of box stores and smaller retail units with an urban streetscape appeal and (2) The east side which will have 100,000 sq.ft. of development including a movie theatre, three free standing restaurants and an office building.

Redcliff Realty Management
The owners of Hamilton’s Centre Mall have filed plans with the City to redevelop the property into a super centre with 23 commercial buildings. Once completed this $100-million proposal will consist of over 700,000 sq. ft. of retail space.

Hamilton Golf and Country Club
In 2007 the Hamilton Golf and Country Club, located in Ancaster undertook a major $10.5 million redevelopment project. It will include a major renovation and restoration to the original club house built in 1929. Two additions previously added to the facility in 1959 and 1986 were demolished and will be re-constructed with similar architectural concepts that compliment the existing facility.

Smart Centres
Construction activity continued at two of Hamilton’s Smart Centres’ locations. The Hamilton Mountain site on Rymal Road saw over 61,000 sq. ft. of new development and the Ancaster site saw just over 50,000 sq. ft. of new buildings constructed.

Lowes opened their first Canadian store in Hamilton in December 2007.

Flamborough Development
Flamborough saw over 200,000 sq. ft. of new commercial buildings constructed in 2007 (images below, left and right). It is estimated between Rosart Properties “Flamborough Power Centre” and Trinity Group’s “Clappison’s Crossing” that Flamborough will see an additional 300,000 sq. ft. of commercial buildings developed over the next couple of years.
Construction commenced on this building that will provide 165,000 sq. ft. of new research space. Included throughout this design is interactive meeting space aimed at bringing together the multidisciplinary researchers to collaborate on new and exciting initiatives. With Hamilton being recognized as one of the top cities for clinical research, this new infrastructure will support the continued success of our leading researchers who are cited worldwide on their research findings. The Braley Institute will support over 230 new jobs in the fields of cardiac, vascular and stroke research.

David Braley Cardiac, Vascular and Stroke Research Institute

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McMaster University’s Engineering Building

A five-storey, 125,600 sq. ft. facility supporting the Faculty of Engineering’s expansion into emerging areas of research and study is currently under construction on McMaster University’s campus. More details on the building can be found on p. 24.

Alexander Pavilion

St. Peter’s Health System broke ground on the Alexander Pavilion – a new home for patients with Alzheimer Disease and other dementias. The project involves the construction of a new Behavioural Health unit above the existing one floor east wing of the hospital on Maplewood Avenue.

Mohawk’s STARt Institute

Major construction and renovations continued at the Mohawk Skilled Trades & Apprenticeship, Research, Resources and Training (STARt) Institute in Stoney Creek. More details on p. 24.

St. Joseph’s Hospital

Redevelopment of the Diagnostic Imaging (DI) Department is underway with plans to expand the department to 29,103 sq. ft. As well, the Perioperative Redevelopment Project will create a new 50,592 sq. ft. department. This state-of-the-art operating and patient care facility will house 12 surgical suites, a pre-operative assessment area, a post-anesthesia care unit, day surgery centre, and minor operative procedures area.

Henderson General Hospital

The redevelopment of the Henderson will be completed in two phases without negatively impacting the ongoing operations of the hospital. First phase activities will focus on oncology inpatient and outpatient units, the surgical suite, a palliative care unit, same day surgery, the ICU, diagnostic imaging, and a variety of support areas, including a pharmacy and an outdoor healing garden.
In 2007, the renewal and regeneration of Downtown Hamilton took on many forms and involved many facets, including new construction on vacant property and breathing life into old buildings. Aligning with the City of Hamilton’s goal of housing people downtown to drive renewal, two significant projects are well underway for occupation in 2008/9.

The Terraces on King Street East (pictured on the right) is a unique partnership with the Federal, Provincial and Municipal Governments, with 123 affordable housing units constructed in the International Village Business Improvement Area on King Street East between Wellington Street North and Ferguson Avenue North. This project is an excellent example of using government incentives to leverage private sector investment to meet housing needs while at the same time renewing underperforming downtown properties. This project will receive a loan from the City under the Hamilton Downtown Residential Loan Program and will realize a tax savings through the Enterprise Zone Municipal Realty Tax Incentive Program.

Gore Place is another exciting change to the downtown landscape is the development of City Housing Hamilton’s five-storey building at 87/89 King Street East, with 16 housing units and ground floor commercial space. This site once occupied by a one-storey abandoned building, will be effectively re-used to create more housing space in the downtown offered at-market rent.

More Hotel Projects Announced in 2007

The City expects to see another hotel underway in 2008 at the south-west corner of George and Bay Streets (centre right). The site of a former auto dealership will be transformed into a 187-room all-suite hotel and will be assisted by the Hamilton Downtown Residential Loan Program and the Enterprise Zone Municipal Realty Tax Incentive Program.

Another project expected in 2008 will be adapted by the Hamilton Downtown Residential Loan Program is the development of a new hotel on the south-side of Main Street West between Bay and Caroline Streets. Currently a vacant lot, this site will be used to create a new 150 long-term stay suite hotel. Further east along Main Street between Spring Street and Ferguson Avenue South, a two-storey vacant building formerly known as the Westgate Ford Dealership, is being transformed into a 60-unit hotel expected to open for business in 2008 and will realize a tax savings under the Enterprise Zone Municipal Realty Tax Incentive Program.

Adaptive Re-use

Old buildings bring character and opportunity to the Downtown landscape. Re-using the buildings is one of the strategies that has been driven by the Downtown Secondary Plan. The former Century Theatre at 14 Mary Street is one such exciting project. Built in 1913 as a theatre it is designated under Part IV of the Ontario Heritage Act. Utilizing City incentives, 59 apartments will be developed with surface parking. This is a stunning example of adaptive re-use where a heritage building is resurrected with a new use.

Another treasure being restored in the heart of Downtown is 66 and 68 King Street East. Victoria Hall at 68 King Street East is one of only two remaining theatres in Canada and accordingly is a National Heritage building. Once restored, Victoria Hall will house a diverse mix of retail, professional offices and living arrangements. The restoration of this building will preserve a legacy in Downtown Hamilton. Its companion building, Foster McKay, at 66 King Street East, will also be preserved and re-invented with mixed-use of retail, professional offices and living accommodations. The setting across from Gore Park makes it a highly desirable location for living, professional offices and retail uses in the Downtown.

Residential Program Yielding Significant Results

The Hamilton Downtown Residential Loan Program (HDRLP) provides a financial incentive to developers to assist with the costs of converting commercial space into apartments, construction of new apartments and assistance in the renovation of existing residential units. The program is also intended to provide assistance towards the costs of creating new residential units on vacant land.

Since the program’s inception, over $41 million in loan commitments have been approved by City Council. As of the end of 2007, the City has advanced loans totalling $10,003,321 for the redevelopment/development of 582 units. As of the end of 2007, $5,635,360 has been paid back to the City with an outstanding balance of $4,367,961. The program has had no bad debt.

The program has cost the City a total interest cost of $1,063,403. The project value of the properties that have been advanced a loan is estimated to be $102,660,000. Therefore the City cost to value ratio is 1:95.

James Street North

Significant changes are happening on James Street North with the introduction of artists’ studios, galleries, and retail outlets catering to the arts and creative community. The Friday Night Art Crawl has become an opportunity to showcase the creative talents of Hamilton’s artists. The changes on James Street North are a clear indication that Hamilton as a creative place is becoming a destination for the creative class which augurs well for the future of the city.
MILESTONES & ACHIEVEMENTS

140 Years in Hamilton

G.T. French Paper celebrated their 140th year of business in Hamilton. A full line sanitation, packaging, food service and supply systems distributor, G.T. French Paper, relocated to 90 Glover Road on the Hamilton Mountain, expanding from 50,000 sq. ft. at their former Nebo Road location to 90,000 sq. ft. at their new location.

Taylor Leibow Celebrates 60 Years

Taylor Leibow, their staff and clients celebrated 60 successful years in Hamilton. Founded in 1947 by Samuel Taylor and Kevey Leibow, the company grew from humble beginnings of a shared desk and telephone to one of the largest independent regional accounting firms in the greater Hamilton and Burlington regions. The firm has continued to grow and currently occupies approximately 20,000 sq. ft. on the 7th and 8th floors at Effort Square.

25 Years of Success

Dan Lawrie Insurance Brokers Ltd. have celebrated their 25th anniversary in business in 2007. To mark the occasion, Lawrie donated $125,000 to Mohawk College’s new concourse for their Insurance and Financial Services Department. In recognition of the donation, the Dan Lawrie Insurance Learning Centre will be established.

Enterprise Zone – Municipal Realty Tax Incentive Grant Program

The Enterprise Zone is an economic catalyst for developing, redeveloping or renovating residential/commercial lands and buildings. The program authorizes for each grant application, a five year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of the land and/or building.

The grant, which may be approved by Council, shall be an amount which does not exceed 100% of the municipal realty tax increase during the first year, 80% in year 2, 60% in year 3, 40% in year 4, and 20% in year 5. The grant would reduce the effect of an increase in municipal (city portion only) realty taxes attributable to the difference between the pre-renovation assessment and the post-renovation assessment.

Since the Program’s inception, 32 applications have been received with 28 applications going forward. The 27 projects represent a total construction value of $190.8 million. Seven (7) of the projects have reached the phase of receiving grants. In 2007, $554,824.78 in actual grants were issued to these projects and $172,508.91 accrued but not paid of the total construction cost of $29,299,400.

Banko Photographic

Banko Photographic renewed its commitment to downtown renewal by purchasing and converting a vacant two-storey downtown property, part of the original Nathaniel Hugston Survey, into a photography studio. The 4,500 sq. ft. facility is comprised of 1,500 sq. ft. shooting facility, as well as a 750 sq. ft. ground floor gallery space, offices, audio mastering and large format printing suites.

Crowne Plaza and Conference Centre

Crowne Plaza Hotel, continues with its $7 million capital improvement plan through 2007 and the hotel is scheduled to open in early May 2008 as a Crowne Plaza. This includes the renovation of each of the 220 guestrooms, public areas and over 35,000 sq. feet of conference space.

Company Profile

Banko Photographic Ltd.

Wilson Blanchard Management Inc., on behalf of the owner, is redeveloping One Hunter Street East into a 25,578 sq. ft. modern office complex. The $4.8 million renovation and expansion features a glass front elevator shaft which will provide expansive views for passengers to the south, from the GO station to the escarpment. The building is 86.5% pre-leased and will be the future home of Simpson Wigle LLP and a major accounting firm.

Minacs, a business process outsourcing (BPO) provider, opened a new 40,000 sq. ft. contact centre at 120 King Street West in downtown Hamilton to provide dedicated customer service support as a result of a contract award from Nissan. The centre will handle a variety of requests from vehicle owners and dealerships across the United States and Canada. The centre is expected to grow to over 375 employees.

In spring of 2007, contact centre SP Data doubled the floor space of its Hamilton operations at 110 King Street West to 40,000 sq. ft. and expanded its workforce to 350 people. SP Data provides services for U.S. clients in the financial services.

MORpH MORE DOWNTOWN INVESTMENTS
**GOODS MOVEMENT INFRASTRUCTURE**

**RED HILL VALLEY PARKWAY**

After four years of construction, the Red Hill Valley Parkway officially opened to the public on Saturday November 17, 2007. This critical piece of infrastructure is designed to accommodate the transportation needs of the City of Hamilton by providing the vital final link in the City’s ring road system. By doing so, this roadway now connects the Lincoln Alexander Parkway to the Queen Elizabeth Way, which in turn connects to Highway 403. Not only does this roadway now contribute to an effective and efficient transportation system, but it also opens up many of the burgeoning areas of Hamilton’s economy, namely the North Glenbrook Industrial and Airport Industrial Parks. With the Red Hill Valley Parkway now operating, these industrial parks have the needed transportation system to accommodate their growth.

**HAMILTON PORT AUTHORITY**

**Traffic and tonnage**

Following three consecutive years of increasing tonnage, 2007 saw a dip in volumes reflected largely in the downturn of the steel industry and levels of semi finished import steel arriving at the port. Total vessel calls reached the 700 mark for the 3rd time in the past five years, maintaining an average of better than 700. Despite the drop in overall tonnage, dry and liquid bulk sectors remained strong, maintaining the Port Authority’s share of Total Seaway System traffic at an estimated 29.5% for 2007 (26.8% in 2006).

**Pier 22 development**

Early in the year, work began on the former Stelco #2 Rod Mill property, a 103 acre parcel purchased by the Hamilton Port Authority (HPA) in late 2006. The primary development project includes the construction of a new wharf stretching 1,000 feet along the frontage of the property, opening the area to new terminal facilities and enhanced marine usage. Able to receive Seaway maximum size vessels, Pier 22 boasts Port Authority land holdings by 20% and offers the opportunity to both redesign existing land usage as well as offer additional storage, cargo lay down areas and warehouse operations. The existing 300,000 sq. ft. former Stelco facility is expected to be demolished in 2008, making way for further advanced developments.

**Environmental Initiatives**

Taking into consideration the environmental improvements that can be gained by paving, the HPA paved and graded an eight acre former gravel site at Pier 15, allowing for storm water passage through a grease and grit interceptor. The unit and the paving were incorporated into the project as a best practice in order to protect the water of Hamilton Harbour, and to reduce dust and track out by truck traffic. Throughout 2007 the HPA has continued its support of the Clean Marine program on the recreational front, the Remedial Action Plan for the cleanup of Hamilton Harbour and the Hamilton Waterfront Trust. Encouraging LEED based developments and participating in the Green Marine program for the St. Lawrence and Great Lakes, ensures environmentally sound practices are pursued on an on going basis.

**McMaster Institute for Transport & Logistics**

The McMaster Institute for Transport & Logistics (MIL) opened for business in 2007 to meet the demands of industry and governments as they work to create more efficient transportation systems. McMaster University, the City of Hamilton, the Hamilton Port Authority, the Hamilton International Airport and CareGo Transport - a Hamilton-based supply chain management company – created the MIL to help drive innovation and improvements to all transportation networks. Specifically, the Institute will:

- Work with industry and government partners to address planning and policy issues related to efficient transport and logistics systems.
- Support the development of transport and logistics educational programs relevant to industry and government.
- Provide a forum for dialogue and interaction among members ensuring outcomes that maximize collective benefits for industry and the society.

**John C. Munro Hamilton International Airport**

**Cargo Stats**

Hamilton International (Hi) is Canada’s largest cargo and courier airport, serving as a home base for UPS, Purolator and Cargojet. In 2007 Air Cargo Tonnage equaled 100,600 tonnes.

**Passenger Traffic**

Passengers are catching on to Hi’s friendly, hassle-free, low-cost service. In 2007 Hamilton International’s passenger numbers climbed 26% from 2006 to reach 662,855. 2007 saw the beginning of a great partnership between Hi and flyglobespan, which began its services between Hamilton and Europe last May. Following a very successful opening summer, flyglobespan returns to Hi in May 2008 with flights to London, Manchester, Bristol, Glasgow, Edinburgh, Belfast and Dublin. In 2007, WestJet announced that it would be increasing its service to four flights per week to Orlando and adding two new sunny destinations: Tampa and Fort Lauderdale.

**Airport Developments**

Hamilton International has undergone significant expansion projects this year to work toward its vision of being one of Canada’s five busiest passenger airports and the number one air freight gateway in Canada. In 2007 expansion efforts included a $3 million expansion of the International Arrivals area to 15,000 sq. ft. and a $3 million expansion of the Departure Lounge doubling its size to over 21,000 sq.ft.

Hamilton International introduced a number of new services this year that have made the “Hi” experience more enjoyable for guests including an International Duty Free, WiFi Internet Access and Tim Hortons. (Two locations – pre-security and post-security).

**Move Ontario 2020**

On June 15, 2007, the Province of Ontario announced a $17.5 billion rapid transit action plan for Hamilton and the Greater Toronto Area. “Move Ontario 2020” includes significant transit advancements for Hamilton, including the increased capacity of the GO Lakeshore West rail line from Burlington to downtown Hamilton. By adding a new third track on the main rail line, increased rush-hour service to Hamilton’s GO Centre will increase passenger service and improve GO’s on-time performance.
FILM & CULTURE ACTIVITY

There is a growing film and cultural scene in Hamilton and this trend continued in 2007. With over 100 productions shot in Hamilton throughout the year, the City was a beehive of activity. Increased film production brings more creative people which changes the social landscape of the City. More art studios are opening in the older sections of Hamilton, film studios are cropping up and the music industry continues to be strong.

For the fourth consecutive year, filming has directly injected over $10 million dollars into the local economy with spending on location shooting, hotels, restaurants, stores and other services.

<table>
<thead>
<tr>
<th>YEAR</th>
<th># OF PRODUCTIONS</th>
<th>PREP SHOOT &amp; WRAP DAY</th>
<th>DIRECT IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>58</td>
<td>834</td>
<td>$5 million</td>
</tr>
<tr>
<td>2003</td>
<td>45</td>
<td>600</td>
<td>$8 million</td>
</tr>
<tr>
<td>2004</td>
<td>48</td>
<td>740</td>
<td>$10.5 million</td>
</tr>
<tr>
<td>2005</td>
<td>90</td>
<td>1,330</td>
<td>$15.6 million</td>
</tr>
<tr>
<td>2006</td>
<td>94</td>
<td>1,280</td>
<td>$15 million</td>
</tr>
<tr>
<td>2007</td>
<td>106</td>
<td>1,318</td>
<td>$12 million</td>
</tr>
</tbody>
</table>

Source: City of Hamilton Film & Television Office

These consistently strong numbers come in the face of a number of major events and economic pressures from industry strikes to a strong Canadian dollar.

Hamilton continues to be the location of choice for productions considering Ontario for their shows. Big names such as The Incredible Hulk, Flash of Genius, Traitor, Repossession, Mambo and Splice to name a few, chose Hamilton for much of their location filming.

The City has also made some incredible gains in the cultural industries. For example, the “Art Bus” really came into its own in 2007 through the work of the Pearl Factory. Attention is turning to James Street North, as an identifiable art district as ‘the place to go’ for arts and culture in the City.

The Art Bus tour reaches out to many of the communities in Hamilton such as the Carnegie Gallery in Dundas and the Sunrise Gallery along the Beach strip. These jewels have continued to grow throughout 2007, creating exhibit space for scores of Hamilton area artists.

The Imperial Cotton Centre for the Arts launched a relationship with another property owner to renovate additional artists’ space at the newly renovated “Cumberland Building” (468 Cumberland). This building is essentially fully occupied by artists from Hamilton and other communities throughout the GTA.
McMaster Innovation Park
The McMaster Innovation Park is moving from concept to reality with renovations to its existing building and firm construction plans for several new buildings. (Detailed on page 7 of this review)

McMaster Biosciences Incubation Centre (MBIC)
Located in the Michael G. DeGroote Centre for Learning and Discovery, the MBIC is now filled to capacity with researchers and start-up life sciences companies. The research transition facility offers more than 7,000 sq. ft. of wet and dry lab space designed to support and accelerate commercialization efforts. Currently, MBIC is home to PrMED Inc., DC Bio and Fighting Chance Inc. and the Golden Horseshoe Biosciences Network—a catalyst and resource for the biosciences community.

The Ronald V. Joyce Stadium
Now nearing completion, the $30 million Ronald V. Joyce Stadium will accommodate crowds of 5,000 plus. The state-of-the-art hybrid playing surface will allow year-round activities and a 300 space parking garage, located under the play surface, will allow for the ultimate in convenience and access. The RKJ Stadium is the final phase of the $43 million expansion by McMaster Athletics and Recreation and will complement the adjacent world-class David Braley Athletics Centre—one of the largest fitness centres at a Canadian university with 15,000 sq. ft. of recreational gymnastum space and facilities and equipment for McMaster’s fitness club.

MCMASTER UNIVERSITY FACTS AND STATS:
- 22,000 full and part-time undergraduate and graduate students
- 97% of graduates are employed within two years
- six faculties: Business, Engineering, Health Sciences, Humanities, Science, Social Sciences

Mohawk START Institute Update
Major construction and renovations continued at the Mohawk Skilled Trades & Apprenticeship, Research, Resources and Training (START) Institute in Stoney Creek. Once completed in the Fall of 2009, Hamilton will be home to the largest apprentice-ship training centre in Ontario. The $21 million project will increase student enrollment in skilled trades by 74 per cent to 870 students and apprenticeships by 29.3 per cent to 3,421 students.

MOHAWK COLLEGE FACTS AND STATS:
- 10,000 full-time students
- 42,000 continuing education registrants
- 3,000 apprentices
- 92.8% of employers satisfied or very satisfied with the Mohawk graduates they have hired

Centres of Excellence in Insurance and Financial Services Established
In response to industry demand for more graduates with high skills and experience to get the job done, Mohawk College announced plans to establish Canada’s first Centres of Excellence in Insurance and Financial Services in Hamilton. Located in a renovated wing within the College’s School of Business, the multi-media Centres will train upwards of 450 students and deliver skills upgrading to industry professionals.

Nursing Program Achieves High Level Accreditation
An innovative program that combines the best of nursing education from Mohawk College, McMaster University and Conestoga College earned the highest level of accreditation possible from the Canadian Association of Schools of Nursing. The Bachelor of Science in Nursing degree program and its curriculum earned a seven-year accreditation.

New Degree Program in Energy Engineering
The McMaster-Mohawk Bachelor of Technology Partnership announced the addition of a new degree completion program in Energy Engineering Technologies. The program will meet the demand for highly qualified graduates with the education and skills required by the Ontario energy sector. Launched in May 2006, the partnership is the first in Canada to offer an accelerated path for working technologists, internationally trained professionals and college graduates to earn both a college diploma and university degree with courses in advanced technology and management studies.

MOHAWK COLLEGE FACTS AND STATS:
- 8,120 students participated in iec-sponsored career events
- 1,330 employers benefited from IEC on-site visits
- 430 employers were referred to local education partners for specific follow-up and 110 added to the online IEC Directory used by local educators
- 260 families attended IEC family-focused events
- 15,000 visits to the Education and Careers section of myhamilton.ca maintained by the IEC

Industry-Education Council of Hamilton
Founded in 1980, the Council is a leading not-for-profit organization committed to helping ensure Hamilton has the competencies to compete as a community of choice. It supports Hamilton’s economic development by promoting and strengthening the dynamic three-way relationship among education, workforce planning and economic development. By strengthening the performance and productivity of local firms, it helps create more workplace learning and employment opportunities for students and youth.
Agriculture is a significant component of the City of Hamilton economy. Despite acknowledgement of the importance of agriculture and the supportive stance the City of Hamilton has taken to sustain this industry, it continues to be vulnerable. This vulnerability can be attributed to many factors including local pressures for growth, encroaching urban development, government policies, economic trends affecting food production, world trade issues and an aging farm population. While many of these forces are beyond the control of local government or producers, there are many steps that can be taken to strengthen and support the agriculture sector in Hamilton. During the past year, the agricultural community has been developing an action plan that identifies outcomes and tasks that ensure the economic viability of agriculture for the long term. Farmers realize that to successfully promote their sector they must be united in purpose and persuasive in building widespread support. The 2007 Hamilton Agricultural Action Plan is designed to achieve these goals and focuses on economic development, promotion, strategic development and direction, partnerships and financial tools. For more information go to: www.investinhamilton.ca/pdf/hamiltonActionPlanOct-07.pdf

In 2007, Statistics Canada released the 2006 Census of Agriculture data. Hamilton’s Total Gross Farm Receipts, percentage of change from 2001 to 2006 went from $222.3 million to $224.5 million representing a modest 1.1% increase. The local industry saw widespread change in commodity percentages with cattle -7.5%, livestock 29.8%, vegetable -30.5%, poultry and egg -12.5%, showing declines during this period. Significant growth was however recorded in commodity sectors such as greenhouse product 37.3%, horse and pony 32.2%, mushroom 29.7% and miscellaneous specialty 40.4% (maple and Christmas trees, sheep, lamb, goat, fur, specialty livestock). Overall these trends show a considerable shift within the local agriculture industry.

Hamilton area farmers excelled in their total gross farm receipts per acre with an average of $1,687. Surrounding municipalities combined (Brant, Halton, Niagara, Norfolk, Oxford and Wellington) averaged $1,489 per acre with the Province of Ontario averaging $777 per acre. These positive trends show that area farmers are diversifying and continue to operate efficiently with high outputs.

HAMILTON EAT LOCAL
Hamilton Eat Local was formed by Environment Hamilton and other community partners to support programs that encourage Hamiltonians to buy food grown by local farmers, learn to grow their own food and harvest food that would otherwise go to waste. In 2007, Hamilton Eat Local launched the Hamilton and area local food map and directory “Buy Local Buy Fresh”. For more information about Hamilton Eat Local Visit: www.environmenthamilton.org

**TOTAL GROSS FARM RECEIPTS BY COMMODITY TYPE FOR THE CITY OF HAMILTON PERCENTAGE OF CHANGE, 2001 AND 2006**

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>CITY OF HAMILTON</th>
<th>2001 ($)</th>
<th>2006 ($)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy</td>
<td></td>
<td>13,645,500</td>
<td>14,173,646</td>
<td>3.9%</td>
</tr>
<tr>
<td>Cattle</td>
<td></td>
<td>14,371,556</td>
<td>2,477,717</td>
<td>-74.8%</td>
</tr>
<tr>
<td>Hog</td>
<td></td>
<td>3,314,820</td>
<td>6,222,041</td>
<td>171.1%</td>
</tr>
<tr>
<td>Poultry &amp; Eggs</td>
<td></td>
<td>45,964,159</td>
<td>40,226,653</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Wheat/Grain &amp; Oilseed</td>
<td></td>
<td>18,641,269</td>
<td>19,340,108</td>
<td>4.2%</td>
</tr>
<tr>
<td>Field Crops</td>
<td></td>
<td>3,081,064</td>
<td>3,815,169</td>
<td>25.8%</td>
</tr>
<tr>
<td>Fruit</td>
<td></td>
<td>7,592,447</td>
<td>9,029,025</td>
<td>18.9%</td>
</tr>
<tr>
<td>Vegetable</td>
<td></td>
<td>19,836,491</td>
<td>13,790,846</td>
<td>-30.5%</td>
</tr>
<tr>
<td>Misc. Specialty*</td>
<td></td>
<td>1,658,289</td>
<td>2,327,419</td>
<td>40.4%</td>
</tr>
<tr>
<td>Horse &amp; Pony</td>
<td></td>
<td>6,884,319</td>
<td>9,175,521</td>
<td>31.2%</td>
</tr>
<tr>
<td>Mushroom</td>
<td></td>
<td>15,003,688</td>
<td>19,455,364</td>
<td>29.7%</td>
</tr>
<tr>
<td>Greenhouse Products</td>
<td></td>
<td>32,505,557</td>
<td>44,636,220</td>
<td>37.3%</td>
</tr>
<tr>
<td>Nursery Products</td>
<td></td>
<td>35,317,733</td>
<td>33,661,260</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Livestock Feed</td>
<td></td>
<td>1,315,376</td>
<td>923,995</td>
<td>-29.3%</td>
</tr>
<tr>
<td>Other Combination**</td>
<td></td>
<td>1,268,148</td>
<td>4,316,932</td>
<td>257.3%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>222,342,429</td>
<td>224,776,914</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

**Note:**
- **Other Combinations** includes: fruit & vegetable combinations, small fruit & vegetable production and other production.

**TOTAL GROSS FARM RECEIPTS PER ACRE FOR CITY OF HAMILTON, SURROUNDING AREA AND ONTARIO**

<table>
<thead>
<tr>
<th>GEOGRAPHIC LOCATION</th>
<th>FARMLAND AREA (AC)</th>
<th>GROSS FARM RECEIPTS</th>
<th>Per Acre ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total ($)</td>
<td>$10,342,031,229</td>
<td>$777</td>
</tr>
<tr>
<td>Ontario</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surrounding Area</td>
<td>1,674,066</td>
<td>$2,492,700,338</td>
<td>$1,489</td>
</tr>
<tr>
<td>City of Hamilton</td>
<td>133,205</td>
<td>$224,776,914</td>
<td>$1,687</td>
</tr>
</tbody>
</table>

The Hamilton Small Business Enterprise Centre (SBEC) had a record year with more than 35,000 general business inquiries in 2007.

Offering an array of services including guidance and professional advice on starting, running and expanding your business, the SBEC aims to meet the individual needs of each client. Core elements such as an extensive resource library, monthly newsletter, professional consultations, training, networking, youth programming, community outreach to both new and existing small and medium businesses, truly make the SBEC your one-stop business resource. This component of the SBEC is attributed to attracting in excess of 11,000 inquiries in 2007.

Meeting the growing needs of businesses at varying stages of development is always a challenge, however with the support of Simpson Widge LLP, PricewaterhouseCoopers LLP and Alrux.com, the SBEC continues to work with and was again supported by its partners The Ministry of Small Business and Entrepreneurship, Industry Canada, Royal Bank of Canada, PricewaterhouseCoopers LLP, Simpson Widge LLP, Hamilton Chamber of Commerce, Alrux.com, Bell Canada and the Canadian Youth Business Foundation.

The SBEC continues to work with and was again supported by its partners The Ministry of Small Business and Entrepreneurship, Industry Canada, Royal Bank of Canada, PricewaterhouseCoopers LLP, Simpson Widge LLP, Hamilton Chamber of Commerce, Alrux.com, Bell Canada and the Canadian Youth Business Foundation.

Pears Café is an example of a local business that benefited from the services of the Hamilton SBEC. The café offers an extensive breakfast and lunch menu catering to the needs of the surrounding residential and business community.

Each year the SBEC hosts a Bridges to Better Business event in October, as a tribute to the salute to small business month. With more than 275 participants 2007 saw a record number of participants attend this action packed one-day networking and training forum.

Youth programs continued to play an integral component of the SBEC programming in 2007. Summer Company, a program that awards local high-school, college and university students a maximum grant of up to $30,000 to start and run their business with the guidance of a community mentorship group saw a record 7 students accepted in the Hamilton region.

In addition to the Summer Company Program, the SBEC held its 6th Annual Business Plan Competition for youth in Hamilton. Hamilton’s winner for 2007 was Demetra Neophytou from Stantuffe District Secondary. Demetra went on to compete in the Regional Business Plan Competition in Niagara Falls in November 2007.

The SBEC continues to work with and was again supported by its partners The Ministry of Small Business and Entrepreneurship, Industry Canada, Royal Bank of Canada, PricewaterhouseCoopers LLP, Simpson Widge LLP, Hamilton Chamber of Commerce, Alrux.com, Bell Canada and the Canadian Youth Business Foundation.

Pears Café is an example of a local business that benefited from the services of the Hamilton SBEC. The café offers an extensive breakfast and lunch menu catering to the needs of the surrounding residential and business community.

Prior to opening his business, owner and entrepreneur Gary Stairs met with the staff of the SBEC for advice. “Starting a business is a scary and difficult task, I wanted to make sure I was aware of all the regulations, requirements and opportunities entrepreneurship has to offer,” says Gary. “The staff at the SBEC were great, they helped me keep focussed on the bigger picture: licensing, registering, reporting requirements. They have even come to visit me at my location!”

Summer Company Success
For Simon Binder, a 4th year commerce student at McMaster University the thrill of starting and running a business had always been a dream, however, when he learned about the Ministry of Small Business and Entrepreneurship’s Summer Company Program he knew it was time to turn his dream into a reality.

Simon, like many entrepreneurs used the Hamilton Small Business Enterprise Centre for assistance with his business plan, market research and guidance and was ultimately successful in gaining acceptance into the Summer Company Program administered by the office on behalf of the Ministry of Small Business and Entrepreneurship. Simon credits the SBEC for their continued support and greatly appreciates the fact that he always knew there was someone he could turn to for help.

Hamilton Incubator of Technology (HIT) Company Profile
Adjuvant Informatics Corporation is a Hamilton based company with worldwide installations (inclusive of Hamilton Health Science and UHN) of its clinical C.A.I.S. (Clinical Anesthesia Informatics System) software applications. Adjuvant was founded in 2002 by an anesthesiologist and a software engineer with the goal of producing high quality software products that are optimized for all the needs of an anesthesia department.

It has since grown from a five person operation to a 12-person operation inclusive of highly skilled employees since its move into the HIT (Hamilton Incubator of Technology) Centre.

“The City of Hamilton and the HIT Centre have assisted Adjuvant greatly with a corporate presence and support that other communities in Ontario would have not been able to provide their tech start-ups,” says President & CEO Dan Meyer. In addition, adds COO Anders Elmik, “The Centre has provided us with an excellent location to grow our company and the overall support from all levels of local Government has assisted Adjuvant in becoming a world-class local company.”
TOURISM - TIM HORTONS BRIER “ROCKS” HAMILTON

Highlights in Hamilton’s tourism industry in 2007 include hosting the Tim Hortons Brier, welcoming flyglobespan to Hamilton International Airport and staging the Canadian Society of Association Executives annual conference. The Tourism Hamilton Board of Directors also began planning for the future of Tourism Hamilton with the creation of a new three-year strategic plan for the years 2008-2010 given the expiration of the organization’s first five-year business plan.

The objective in the meetings and convention market was to continue to raise the profile of Hamilton as a meeting destination, the “place to meet” in Southern Ontario, with a focus on the domestic market. Key sales efforts were directed at provincial and national association executives and meeting planners primed by hosting the Canadian Society of Association Executives conference and trade show. The conference was the second largest in the organization’s history. Over 600 delegates, including the country’s most influential executive and industry conference decision-makers, attended the three day conference, surveying Hamilton’s hospitality.

Hosting the 2007 Tim Hortons Brier highlighted the sport tourism calendar. The Brier sparked the following results in Hamilton:

- Over 107,000 spectators attended the event
- Over 7,300 room nights at local hotels and B&Bs were generated
- Television ratings (TSN and CBC) included:

**FRIDAY, MARCH 9, 2007**

<table>
<thead>
<tr>
<th>Program</th>
<th>Viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSN</td>
<td></td>
</tr>
<tr>
<td>Afternoon</td>
<td>470,000 viewers</td>
</tr>
<tr>
<td>Evening</td>
<td>739,200 viewers</td>
</tr>
</tbody>
</table>

**SATURDAY, MARCH 10, 2007**

<table>
<thead>
<tr>
<th>Program</th>
<th>Viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBC</td>
<td></td>
</tr>
<tr>
<td>Evening</td>
<td>645,000 viewers</td>
</tr>
</tbody>
</table>

**SUNDAY, MARCH 11, 2007**

<table>
<thead>
<tr>
<th>Program</th>
<th>Viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evening</td>
<td>1,200,000 viewers</td>
</tr>
</tbody>
</table>

- The Brier generated over $1.4 million worth of print media value in editorial coverage for Hamilton (as reported by Bowdens Media Monitoring)
- Downtown restaurants reported “best sales in 10 years”
- Over 1,700 visitors were serviced at Tourism Hamilton satellite tourist information centres at visitor hot spots throughout the downtown area
- Over 1,100 volunteers participated in the Brier

For the first time in over twenty years, Hamilton had direct airlift to the important United Kingdom market from flyglobespan airlines. The UK market is Ontario’s second largest international market, and the new service provided business opportunities for Hamilton suppliers including hotels, ground transportation providers, attractions and restaurants.
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